

## Message Text

LIMITED OFFICIAL USE

PAGE 01 BONN 17118 281621Z

50

ACTION EUR-25

INFO OCT-01 ISO-00 NEA-10 IGA-02 AGR-20 AID-20 CEA-02

CIAE-00 COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01

CIEP-02 SPC-03 STR-08 TRSE-00 LAB-06 SIL-01 OMB-01

DRC-01 IO-14 /140 W

----- 102066

R 281617Z NOV 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC 8932

INFO USMISSION OECD PARIS

LIMITED OFFICIAL USE BONN 17118

E.O. 11652: N/A

TAGS: EAID, GW

SUBJECT: FRG AID PROGRAM

REF: NEW DELHI 10249

1. MORBACH, PAKISTAN DESK OFFICER IN THE FRG AID MINISTRY, NOTED DURING A CONVERSATION WITH AN EMBOFF THAT THE FRG HAD INCLUDED PROVISIONS FOR UNTIED COMMODITY AID IN AGREEMENTS CONCLUDED WITH INDIA (AUGUST 28) AND PAKISTAN (NOVEMBER 14). MORBACH SAID THIS WAS NOT AN INDICATION OF A NEW FRG AID POLICY BUT RATHER, REFLECTED THE EXISTENCE OF A LARGE FRG TRADE SURPLUS. THE GOVERNMENT, ACCORDING TO MORBACH, WAS DECIDING WHETHER OR NOT TO UNTIE COMMODITY AID ON A CASE BY CASE BASIS WITH ECONOMIC REASONS, I.E. THE TRADE SURPLUS, RECEIVING SIGNIFICANT ATTENTION. HE THOUGHT FUTURE AGREEMENTS WOULD NOT INCLUDE SUCH PROVISIONS IF THE FRG'S ECONOMIC SITUATION WENT SOUR.

2. COMMENT: IT IS SIGNIFICANT THAT THE FRG HAS BEGUN  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BONN 17118 281621Z

EXPERIMENTING WITH UNTIED COMMODITY AID, THE LAST

REMAINING CATEGORY OF TIED FRG CAPITAL AID. INDUSTRY  
HAS COMPLAINED TO THE AID MINISTRY ABOUT THOSE TWO  
AGREEMENTS ALTHOUGH PROBABLY NOT VERY FORCEFULLY. THE  
ULTIMATE TEST OF THE FRG'S COMMITMENT TO UNTIED AID IS  
STILL TO COME SINCE INFORMAL TYING SEEMS TO BE MORE  
IMPORTANT IN DETERMINING FRG AID-FINANCED EXPORTS  
THAN FORMAL TYING. END COMMENT.  
HILLENBRAND

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, GOVERNMENT DEBTS, ECONOMIC AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 NOV 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973BONN17118  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** BONN  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t1973119/aaaaagen.tel  
**Line Count:** 69  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** NEW DELHI 10249  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 01 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <01-Aug-2001 by boyleja>; APPROVED <26-Sep-2001 by garlanwa>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FRG AID PROGRAM  
**TAGS:** EAID, GE  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005